



INSURANCE FRAUD INVESTIGATION DIVISION
Kentucky Department of Insurance
909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050
Phone 502-564-1461 – FAX 502-564-1464
Fraud Statistics/Convictions Activity
May 2015

<u>Fraud Statistics</u>		<u>Month/May</u>	<u>YTD</u>
Total Referrals Received.....		35	590
Closed Referrals.....		29	595
Open Cases (Investigations – includes prior years).....			449
Assigned Cases (Investigations).....		4	61
Closed Cases (Investigations).....			15
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....			3
Charges (1 felony, 0 misdemeanor)		1	41
Convictions (7 felony, 1 misdemeanor)		8	97
Restitution Ordered.....	\$	32,890.00	236,298.78
Restitution Agreed.....	\$.00	.00
Restitution Total.....	\$	32,890.00	236,298.78
Investigation Expenses to Division			
Awarded.....	\$	2,420.00	7,853.74
Collected.....	\$	587.80	6,698.65
DOI Fines.....	\$.00	1,000.00
Administrative Subpoenas Issued.....			2
Non-Licensed Individuals.....			2
Licensed (active/inactive individuals).....			
Subpoenas Received.....			6

Convictions Activity

Maurice Rhodes – Rhodes advised individuals that he could provide them with auto insurance for a discounted rate. Individuals gave him cash for the purpose of purchasing their policies. Rhodes knowingly provided false checking account information to the insurer in the execution of these transactions. Therefore, the individuals mentioned above were left without coverage. Rhodes pleaded guilty to one count of theft by deception. He was sentenced to one year of probation and ordered to pay restitution of \$2,890 to the victims. Investigative expenses of \$1,000 also were awarded.

James Kenneth Howard – Howard stated that he was unable to work following a motor vehicle accident. However, Howard never missed any work and the lost wages form he submitted was forged and fraudulent. Howard pleaded guilty to two counts of fraudulent insurance acts greater than \$300 and four counts of criminal possession of a forged instrument second degree. Howard was placed on diversion for five years or until the restitution of \$30,000 is paid in full. He also was ordered to pay investigative expenses of \$1,420.

Gary Holbrooks – Holbrooks made false statements concerning his home address for the purpose of reducing his auto insurance premium. Holbrooks was charged with fraudulent insurance acts over \$500. He subsequently entered a guilty plea to the amended charge of fraudulent insurance acts less than \$500. Holbrooks was sentenced to 12 months, probated for 24 months. He also was fined \$1,000 with \$750 suspended.